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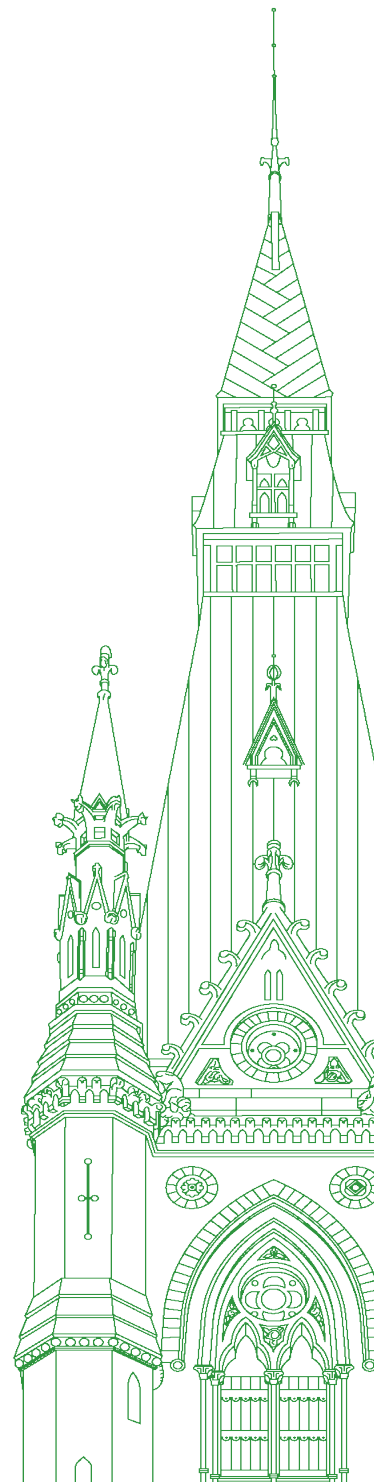
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Chair: Mr. Robert Morrissey

Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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• (1535)

[English]

The Chair (Mr. Robert Morrissey (Egmont, Lib.)): I call the meeting to order. Welcome to meeting number 12 of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

Today's meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021. Members will be attending in person in the room and virtually. Those attending virtually have the option of using the “raise hand” function to notify me. Members in the room should simply indicate by raising your hand.

Those attending in person must follow the pandemic protocols that are in place, and changing on a weekly basis. I expect those members to do that. As the chair, I will enforce these measures for the duration of the meeting, and I thank members in advance for their co-operation.

To ensure an orderly meeting, I would like to outline a few rules to follow. Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice at the bottom of your screen of floor, English or French. If interpretation is lost, please inform me immediately, and we will ensure interpretation is properly restored before resuming the proceedings.

The “raise hand” function is at the bottom of your screen. For members participating in the room, please keep in mind you should raise your hand to get my attention. Before speaking, please wait for me to recognize you by name. Those in the room, your microphone will be controlled as normal by the proceedings and verification officer. When speaking, please speak slowly and clearly. When not speaking, your mike should be on mute. A reminder that all comments should be addressed through the chair. With regard to the speaking list, I have a speaking list that's been provided, and we will follow the speaking order.

Pursuant to Standing Order 108(2), and the motion adopted by the committee on Thursday, February 3, 2022, the committee will commence its study of labour shortages, working conditions and the care economy.

I would like to welcome our witnesses to begin our discussion with five minutes of opening remarks followed by questions.

From the Department of Employment and Social Development, we have Karen Hall, acting associate deputy minister, strategic and service policy branch; Rachel Wernick, senior assistant deputy minister, skills and employment branch; Philippe Massé, director gen-

eral, labour market information; and Pierre Therrien, director general, economic policy directorate, strategic and service policy.

We will begin with five minutes of opening remarks, and then we will open the floor for questions. This will be a one-hour session.

Ms. Rachel Wernick, you have the floor for five minutes.

Ms. Rachel Wernick (Senior Assistant Deputy Minister, Skills and Employment Branch, Department of Employment and Social Development): Thank you, Mr. Chair.

I am Rachel Wernick. I am the senior assistant deputy minister at ESDC.

[Translation]

I am pleased to join you today to provide an overview of labour and skills shortages affecting the Canadian economy.

Labour shortages are affecting many sectors and almost all regions of the country. As of December 2021, there were approximately 900,000 job vacancies across Canada, which is almost double pre-pandemic levels.

[English]

Some labour shortages are short term and are likely to be filled as the economy strengthens. Approximately two-thirds—or 64%—of current vacancies are in jobs that require high school or less. Many of these will be temporary as the labour market reopens. More than one-quarter of vacancies are in the food service, tourism and retail sectors.

Other shortages are a result of structural factors, such as our aging population and rising skills requirements. This is increasing shortages in key sectors such as construction, professional, scientific and technical services, as well as health care. These shortages will take longer to fill given the scarcity of highly qualified workers among the unemployed and the need for specialized training.

It's important to underscore that there are three sources of labour supply in Canada. The first is new entrants to the labour market, which are youth and immigrants. The second are groups under-represented in the labour market who are not fully participating. The third are those already working who need upskilling or re-skilling to adapt and to stay in the labour force longer. To address the labour shortages facing the Canadian economy, it will be necessary to draw on all three sources of labour.

Youth are our biggest source of new entrants to the labour market, with 4.9 million young jobseekers expected to enter the workforce by 2028. All youth benefit from support to successfully transition from school to work, but it is important to recognize that some youth face additional barriers, including indigenous youth and youth with disabilities.

The next source of new labour supply is from immigration. Accessing this supply of labour will require addressing barriers many newcomers face to securing jobs. These include inadequate language proficiency, difficulties obtaining recognition of foreign credentials and a lack of Canadian work experience. While temporary foreign workers play a critical role in filling jobs in the agricultural, food and fish processing sectors—in fact, 80% work in agriculture—it is important to underscore that they make up only 0.4% of the labour force.

The next source of supply is under-represented groups. Closing the gap in the labour market participation rate of under-represented groups could mean adding over two million new workers to the labour market.

Finally, three-quarters of those in the labour force of 2028 are already working. This is critical context, as labour shortages are not a purely numbers issue. It is also a skills mismatch issue. As the skills required for jobs continue to rise with the introduction of new technologies, most workers will need to upgrade their skills. As some jobs disappear, it will be important for workers to have access to training to upskill and re-skill so they can fill new and emerging opportunities.

As the committee will be putting a particular focus on the care economy, I would like to finish by highlighting some key facts about this sector. The impacts of COVID have been particularly concerning for care providers, including health care workers, personal support workers and child care workers who have been on the front lines of the pandemic.

• (1540)

[*Translation*]

According to recent Statistics Canada data for the third quarter of 2021, there were approximately 118,000 vacancies in the health care and social assistance sectors. Of those, around 23,000 were for jobs covering day care, youth, and personal support services.

While the health care sector overall recovered from the job loss due to the pandemic, some health occupations are still lagging. For instance, employment among child care workers is still 12.3% lower than in January 2020.

Addressing labour shortages in this sector will take some time given the scarcity of qualified workers among the unemployed and

the need for specialized training. This challenge is compounded by difficulties in finding and keeping skilled people in these fields. In some cases, this is due to poor working conditions or low compensation. In other cases, it is because of challenging and costly foreign credential recognition processes and lengthy licensing requirements.

Recognizing provincial and territorial jurisdiction in this sector, the federal government is attempting to bring partners together on initiatives to help address the shortage of workers in the care economy.

[*English*]

The Government of Canada has taken concrete measures to help reduce shortages facing the health care sector. These investments include \$420 million in 2021-22 to support provinces and territories in attracting and retaining early childhood educators and support workers through initiatives grants and bursaries for students studying early childhood education.

Over three years, \$960 million has been allocated for the new sectoral workforce solutions program to help key sectors of the economy, including the health care sector. It funds industry-driven activities that support a diverse and qualified supply of workers. The program helps workers through training and re-skilling, and helps employers—particularly small and medium-sized ones—to attract and retain a skilled workforce.

Over three years, \$38.5 million will be invested in a long-term and home care pilot, which is a project to test a new recruitment and training model for up to 2,600 supportive care assistants through a new micro certification. Of these, 1,300 are anticipated to go on to complete full personal support worker certification. The pilot will also explore how to improve consistency in training programs, required qualifications and core competency.

Finally, there has been an investment of \$22 million for 20 projects through the foreign credential recognition program, which supports the integration of internationally educated health professionals, and nearly \$10 million in foreign credential recognition loans, for which two-thirds of the borrowers were in the health sector.

We are continuing to work collaboratively with our federal partners and counterparts in provincial and territorial governments to help alleviate the pressures facing workers in the care economy.

[*Translation*]

We are here to answer your questions.

The Chair: Thank you, Ms. Wernick.

[*English*]

We'll now open the floor to the first round of questions, with Madam Kusie for six minutes.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you very much, Chair.

Thank you to our witnesses for being here today.

Ms. Wernick, I would be interested in knowing what more the department is doing to develop automation. What do you perceive is ESDC's role in stimulating automation to ease labour shortages?

• (1545)

Ms. Rachel Wernick: I would suggest that ESDC is supporting the Minister of Employment, Workforce Development and Disability Inclusion. Our federal partner department, Innovation, Science and Economic Development, would be the department that has programs to invest directly in businesses.

What I would say about automation, as it is introduced, is that while it does displace low-skilled workers, it is being introduced predominantly for repetitive tasks, low-skilled work. It does still require skilled staff for its implementation, often its uptake and its use. While automation displaces some workers, it does create new skills requirements for others.

Mrs. Stephanie Kusie: Thank you.

You mentioned your work with Innovation, Science and Economic Development. Are you aware of any incentives for industries or employers to automate that ESDC, in coordination with Innovation, Science and Economic Development, might have currently?

Ms. Rachel Wernick: I don't have information on ISED programs at hand, but I would be happy to provide that in writing to the committee following this.

Mrs. Stephanie Kusie: Thank you.

Are there any programs available for automation in regard to skills development, be it programs for skills development to learn more about automation or incentives for automation in regard to skills development?

Ms. Rachel Wernick: Yes. The government, in budget 2021, made a significant investment in what we are calling the skills for success program, formerly referred to as literacy and essential skills.

This is training in what we call "foundational and transferrable skills". One of the key focuses—one of the skills for success—is in fact digital skills. This is programming that will support employers in training workers to improve their digital skills, their ability to work with technology and to implement digitalization in the workforce.

Mrs. Stephanie Kusie: Thank you so much, Ms. Wernick.

Mr. Massé, I wanted to know where these one million new jobs that the government has repeatedly said have been created come from, please.

Mr. Philippe Massé (Director General, Labour Market Information, Skills and Employment Branch, Department of Em-

ployment and Social Development): I'm not aware of government statements about job creation. In our opening remarks there was a reference to job vacancies. Is that where you were headed?

We can certainly outline some of the key sectors where those vacancies are present. I'm not aware of any particular statements regarding new jobs created.

Mrs. Stephanie Kusie: We frequently hear in the House of Commons that one million new jobs have been created by this government. Looking at the information, it seemed more to me like this was just the natural recovery of the job market through the recovery of the pandemic.

Mr. Massé—

Mr. Philippe Massé: I might pass it to my colleague, Pierre, who could speak to that more.

Mrs. Stephanie Kusie: Okay, yes.

Mr. Pierre Therrien (Director General, Economic Policy Directorate, Strategic and Service Policy, Department of Employment and Social Development): The information on the one million jobs comes from the Statistics Canada labour force survey. This survey is updated every month.

My understanding of your one million jobs is that, while we were in the middle of the pandemic, we had one million jobs below the level we had before the pandemic. Since then, we increased the level of employment, so we're back to where we were before the pandemic.

Mrs. Stephanie Kusie: It was the recovery. Okay, thank you.

Likewise, when the government talks about 106% employment, would you say that is from a reduced worker pool? The number would be higher because we have fewer employees now than we did at the beginning of the pandemic, since we've lost many to those.... I'm trying to get an accurate reflection of the 106% employment that we are hearing the government has.

It just seems to me that, if the workforce has shrunk, then it would require fewer workers to achieve 106% employment currently than it would have at the beginning of the pandemic.

• (1550)

The Chair: I'm sorry, Mrs. Kusie—

Mr. Pierre Therrien: I can add to that one.

The Chair: I'm sorry. The time has gone. You may be able to address that answer in a further question, Mr. Massé.

Now we go to Madame Ferrada for six minutes.

You have the floor.

[*Translation*]

Ms. Soraya Martinez Ferrada (Hochelaga, Lib.): Thank you, Mr. Chair.

Ms. Wernick, as you know, Quebec set up a day care system many years ago. At the time, it was a way of attracting a workforce comprised mainly of women. However, we know that women were more affected by the pandemic.

In your view, how would the implementation of a national day care system help to address the labour shortage?

Do you see a connection between the two?

Ms. Rachel Wernick: I will answer your question very briefly and then give the floor to Ms. Hall, who is the subject-matter expert.

Quebec's experience showed us that the implementation of a universal day care system led to a significant increase of women's participation in the labour market. We therefore expect that greater access to day care will have the same effect in other regions.

[English]

Karen, do you want to add to that?

Ms. Karen Hall (Associate Assistant Deputy Minister, Strategic and Service Policy Branch, Department of Employment and Social Development): Thank you.

Mr. Chair, if I may, I'm the associate assistant deputy minister, not the associate deputy minister. I just want to make sure that's correct for the record.

[Translation]

I thank the member for her question.

We expect a Canada-wide day care system to have a significant effect on Canada's labour market. We project that the new system could add 240,000 workers to the workforce. That's a long-term estimate, since this type of change takes time, but it is significant.

Of course, the system will need workers. That is the system's real foundation. It is essential for these workers to be well trained and to enjoy their work, so that they can provide quality care to children.

Ms. Soraya Martinez Ferrada: Thank you for those answers.

Earlier, you mentioned a \$3.5-million pilot project to work on long-term care issues. You wanted to test the program.

Are you working on any other pilot projects that focus on the labour shortage?

I'm very interested in finding out more about long-term care issues and the work you're doing with the provinces to help solve the labour shortage issue in this sector.

Ms. Rachel Wernick: I can give a basic description of this pilot project.

In the context of the pandemic, there was an astounding lack of workers, for all the reasons we know.

We tried to think of a way to quickly bring partners together to explore the possibilities of finding an innovative model to train and deliver more workers in a short time frame. It's a somewhat classic example, where the federal government takes the initiative to bring everyone together to work on something innovative. If it works, it

creates something that the provinces and territories can replicate in their respective systems.

In this case, we tried to use everything we heard about training for these positions. People who were interested in doing the job didn't want to go back to school full time. We created a pilot project that tested intensive training offered partially online. Students could do it whenever they wanted. Then they had a work placement. That's something else that's very much in demand. People want to learn on the job rather than in a classroom.

This creates what is known as a micro-certification. This means that after online training and an internship, the individual becomes an assistant and can work with slightly less responsibility than if they had the full certification.

Half of the participants chose to continue their education and finished their certification. This innovative model has been recognized as a way to deal with staff shortages. It's an interesting pilot project to see if other training models can attract people. People who are still working and have mortgages to pay are often not ready to go back to school full time.

The other interesting thing about this pilot project...

• (1555)

[English]

The Chair: Madam Wernick, you could probably conclude that when answering another question. We are over time.

Ms. Rachel Wernick: Okay.

[Translation]

The Chair: Ms. Chabot, you have the floor.

Ms. Louise Chabot (Thérèse-De Blainville, BQ): Thank you, Mr. Chair.

Thank you to the witnesses.

This is a very important issue. Thank you for your documents and some of the statistics. I have a question on that very subject.

How do you collect data on labour shortages, both nationally and regionally?

I'm trying to understand, but I don't want to make my question too complex.

In terms of labour, there are structural shortages, which arise from an imbalance between the number of trained people and the demand in the labour market, and there are organizational shortages, which are linked to the organization of work.

I am trying to properly understand your statistics. For example, there are job titles that don't match from province to province, such as care support workers; in Quebec, they use other designations.

How do you collate the data to ensure you have the right numbers?

Mr. Pierre Therrien: In terms of how the data is collected, the first thing to understand is that Statistics Canada is a very important source of information when it comes to job vacancies. That said, a vacancy does not necessarily mean that there is a shortage. Statistics Canada carried out a census of employers to find out how many vacancies there were in the country. It is normal to have vacancies. They may indicate that a business is growing, that employees are retiring and that staff needs to be hired.

Currently, the number of vacancies is a little bit higher than it was before the pandemic, as you have seen.

● (1600)

Ms. Louise Chabot: Thank you.

I appreciate the nuance; indeed, vacancies do not necessarily indicate a labour shortage.

I have a few examples to give. In Quebec, full-time nursing positions are vacant, because there are people who don't want to take full-time jobs for all sorts of reasons.

On the other hand, in Quebec, there is Opération main-d'oeuvre for priority sectors. The Minister of Labour and the government of Quebec have invested \$3.9 billion over five years to achieve the objectives of attracting, training and requalifying the workforce, in the care economy, as you call it, as well as in information technology, engineering and construction.

Are there examples of similar measures being put in place by other provinces? You mentioned that labour is a provincial jurisdiction. Could we have some data?

[English]

Ms. Rachel Wernick: I have a few examples of work in provinces. The Government of Canada transfers approximately \$3 billion to provinces through the labour market transfer agreements, and with that funding we know we have had reports of several different projects related to health care. For example, there is work in New Brunswick on personal support workers where they use the funding to pay tuition for training seats. There is work in Prince Edward Island that is focused on increasing the number of licensed practical nurses and resident care workers. There is a two-year pilot in Alberta, where they are offering a pathway of English as a second language for health care aides. In Ontario there is a virtual training program in the long-term care sector. Those are some of the examples we know about of programming in this area that was funded in provinces through the federal labour market transfer agreements.

[Translation]

Ms. Louise Chabot: In Quebec, educational child care services are much broader than day care. It takes training and certain qualifications to get a position as an educator.

So when you say there is a shortage in this sector, are you comparing the same type of job? Qualifications may be different from one location to the next.

I wonder if we are comparing comparable data.

Ms. Rachel Wernick: Yes, I can give you the example of orderlies, because that's what I was going to say in the other answer.

We know that there are 20 positions with different names in this type of work, which require different certifications and training and for which standards are different as well.

[English]

One of the things the pilot project was looking at was how to achieve better commonality in the training and the standards for personal support workers.

I'll turn to my colleague Karen Hall if she wants to speak more specifically to that issue with respect to child care workers.

The Chair: Madam Wernick, we're out of time. You will have to address that information in a subsequent question.

We will now go to Madam Zarrillo for six minutes.

Ms. Bonita Zarrillo (Port Moody—Coquitlam, NDP): Thank you, Mr. Chair.

Thank you so much for the presentation. I did want to start with some hopeful news today for youth. The biggest portion of new employees are youth, and I just wanted to ask some questions on that. Many of my questions today are going to gendered, because work is very gendered. I'm hoping that, through this study in this committee, we can remove some of the stigmas that go along with gendered work.

For the youth, are there federal strategies for women and under-represented youth, including youth with disabilities, that are already in place? Are there some strategies?

● (1605)

Ms. Rachel Wernick: There are several programs. For youth, we have the youth employment and skills strategy, which is actually delivered by 12 different federal departments. It has a primary focus on reaching youth who are under-represented in the labour market and providing them the additional supports required to successfully secure and sustain good jobs.

We also have a student work placement program, which helps students find work placements in their fields of study, and we prioritize youth who are under-represented in the labour market for that program as well.

With respect to women, we have launched a women's employment readiness pilot program to really explore and better understand what women from different backgrounds require as tailored supports—racialized indigenous women, women with disabilities, women from the LGBTQ2+ community. That's another area of focus.

Finally, you spoke of youth with disabilities. Youth with disabilities are a primary recipient of our opportunities fund for persons with disabilities, which provides pre-employment supports training to youth with disabilities but also works with employers to create accessible, inclusive workplaces and hire more youth with disabilities.

Ms. Bonita Zarrillo: Just to follow up on that, are there data and disaggregated data collected on those programs to understand which industries, which channels—potentially gendered, age and race—are picking up in those programs?

Ms. Rachel Wernick: We do have some disaggregated data. I will be frank that some of the programs have better data than others, but we could provide in writing what demographic data we have on clients for our programs.

Ms. Bonita Zarrillo: Thank you.

I have one other question on youth before I move on to the difficulty keeping skilled people. I want to ask about housing. What I'm hearing for those who work with personal support workers and those in the care economy, even not-for-profits, they're having a very hard time finding workers because of the housing crisis. Is there any data correlations made between labour markets and house prices focused on youth? It's for everyone, but is there data around youth, the labour market and housing?

Ms. Rachel Wernick: The subject that you are pursuing of course is very vast. There is research that shows that there are systemic barriers that impact people's success in the labour market in acquiring and keeping jobs, which range from adequate housing to child care to access to transportation. There are different barriers that can definitely impact the ability of youth in that sense specifically.

Again, we are from the department on workforce development. We would work with some other departments to pull together some of that research on housing and its impacts on employment if the committee was interested.

Ms. Bonita Zarrillo: I'm just interested in whether you choose a career or a job because, as you said, you're close to transit or you happen to live in a place that has a hospital or child care facility nearby.

I'm going to move on to the difficulty keeping skilled workers due to poor working conditions. Again, this is a data question. Is there additional data or information on some of these problematic working conditions, and is there some disaggregated data, again, on that thinking about how work is so gendered?

Ms. Rachel Wernick: I can start, and then Pierre and Philippe may want to add something on the data sources. They are the data experts.

We have seen a wage stagnation in Canada, but it is starting to improve. Over the last two years, due to the impact of the pandemic, employers have increased wages in many occupations where labour shortages continue to be an issue—

• (1610)

The Chair: Madam Wernick, could you hold for a moment?

Ms. Rachel Wernick: I'm sorry. Somebody is—

The Chair: Yes. Do we have that cleared?

Continue, Madam Wernick, and we'll let you answer that question in full.

Ms. Rachel Wernick: I'll pass it over to Pierre, because I think the member is interested in the different data sources.

The Chair: Please keep your remarks short.

Mr. Pierre Therrien: Yes, I will just say that this is an important question. I'll go back to what I said before about the labour force survey, which has good data.

The last budget provided additional money for Statistics Canada to provide more disaggregated data, so those are coming. They are in the process. We don't have all of this data yet, but I know that Statistics Canada is working quite closely with the provinces, and so on and so forth, to get better gendered and also disaggregated data.

The Chair: Thank you, Mr. Therrien.

Now, Mr. Ruff, you have five minutes.

Mr. Alex Ruff (Bruce—Grey—Owen Sound, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for coming.

I represent Bruce—Grey—Owen Sound, a very rural riding in Ontario with a very aging demographic. I think I have the second-oldest demographic in the province of Ontario.

The labour shortage is huge. It's the biggest thing I heard throughout the most recent federal election. It doesn't matter what sector. I'm hearing it from my farmers, the agricultural sectors and the food processors like Exceldor and Maple Leaf Foods in my riding. The Wood Manufacturing Cluster of Ontario has reached out to me. As for the auto industry, you can't even get a mechanic. They're robbing Peter to pay Paul. As well, the PSWs and the health care sector.... Everybody is hurting, and you can understand why.

One of the issues they've all reached out about and that has been a common thread across all sectors is the need to augment and do an emergency temporary foreign worker program. As such, I'd like feedback from the witnesses on the viability of this as a recommendation. If a specific industry experiences a job vacancy rate of over 5%, would it be viable to remove the requirement for a labour market impact assessment, an LMIA, to hire temporary foreign workers?

Then, when that vacancy rate drops back under 5% for six consecutive months, that LMIA could be reinstated. Can you give any feedback?

Ms. Rachel Wernick: The intent of the labour market impact assessment is to ensure that the entry of foreign workers will not have an adverse effect on the Canadian labour market and that the employer and job offer are legitimate. Protecting the health and safety of temporary foreign workers while they're in Canada is of top importance, and there is concern that suspending LMIA requirements could limit the Government of Canada's ability to protect workers from potentially negative situations such as employer abuse or poor working conditions.

There is also a risk in some areas that wage rates in the sectors could be negatively affected for both the temporary foreign workers and Canadians.

I would like to say that the government is currently considering different reforms to the program to enhance and streamline it, but as I mentioned in my opening remarks, it will never be a very full solution, because it is still a very small number of foreign workers relative to the Canadian labour market that we would be able to receive in the country.

Mr. Alex Ruff: All right. I can acknowledge that to some extent, but I think the struggle is even more apparent in rural Canada. I'd like any feedback on how we're going to deal with that in rural Canada, where we just don't have the labour force.

As I said, our unemployment rate has never been lower to some extent, even despite the pandemic and the challenges. I guess tied into that are the skilled trade requirements needed, because, until that's up and running, we need to put food on the table and take care of our seniors. I really think the idea of putting a temporary foreign worker program, like speeding up the process.... This is an urgent requirement that I think needs to be addressed now.

Could you expand on the rural side of the house, please?

• (1615)

Ms. Rachel Wernick: I'm sorry. I'm not sure I understand the question.

The role of temporary foreign workers in rural parts of the country...? Is that the question?

Mr. Alex Ruff: Yes, specifically in rural Canada, and for any of the programs that would help support rural Canada.

Ms. Rachel Wernick: As I mentioned, 80% of temporary foreign workers work in agriculture, so they are working largely in rural areas currently. I do think it is an important point to recognize that there are specific market challenges to rural areas.

There has been some successful work in attracting new immigrants to rural areas. The experience suggests that if you get a critical mass of new immigrants and a community started, more will come, so that is one of the efforts that is undertaken for getting workers into different parts of the country.

The government announced in budget 2021 a new program that we are looking at called the "community workforce development program". It's about funding communities to do workforce development to bring all the players to the table to explore how they can do a better job of matching workers with openings in their communities, including how to reach the underutilized sources of workers such as the under-represented groups that I mentioned earlier. You

have all of the partners together—the appropriate community organizations and employers—come up with solutions at the community level.

The Chair: Thank you, Madam Wernick.

Now, for five minutes, Mr. Coteau, you have the floor.

Mr. Michael Coteau (Don Valley East, Lib.): Thank you very much, Mr. Chair.

I want to first—

The Chair: Excuse me. Just to clarify for everyone, please direct your questions to somebody specifically so that we can make the best use of our time. Indicate if they're to any of the witnesses or if they're in general.

Mr. Michael Coteau: I'll just ask a general question and the witnesses can determine who's best to answer.

I want to start by saying thank you to the member for bringing this forward. I think this study is so essential and so important today in Ontario and right across the country.

One of the issues I've always seen is that it doesn't seem that any government across the country or the federal government has really figured out how to utilize foreign-trained professionals. For example, I think an extreme case would be doctors. I know that in Ontario about 7% of doctors who are foreign-trained doctors actually end up being doctors in Ontario. That's a huge underutilization of a workforce and a specific group of people.

I'd like to know what the federal government is working on to accelerate credentials for foreign-trained workers. What has worked in the past, what's being identified as successful and what is being amplified or changed? For any of the witnesses, how do we align our immigration specifically to fill in those gaps where we need the specific skill sets of foreign-trained professionals?

Ms. Rachel Wernick: I'll start and others can add.

I would like to speak to the federal foreign credential recognition program that I mentioned in my opening remarks. As I said, this program is very much about the federal role in convening the different partners that it takes to bring down the barriers to skilled immigrants being able to use their skills in the labour force.

What we have seen is that, in addition to support for navigating the certification process—I think it's important to note that this is very much in the hands of the regulatory bodies at the provincial levels, and we have to work very closely with them, as well as professional associations—we have found that our loan program has made a huge difference. We have a zero default on these loans in supporting new immigrants in navigating that process and successfully completing it in terms of the recognition process.

The other thing that is really key is Canadian work experience. Through this program, we support projects that get foreign-trained professionals into the workplace and into work placements to get hands-on experience and get that experience on their resumé. That is very key. For the 20 projects I mentioned in the opening remarks, the vast majority are focused right now on health care professionals, ranging from physicians, nurses, pharmacists, dentists, midwives, ultrasound technicians and physical therapists to medical laboratory technologists. We have a lot of work going on right now about supporting foreign-trained—

• (1620)

Mr. Michael Coteau: I don't mean to be rude, but I want to ask a second question, if that's okay.

Ms. Rachel Wernick: Sure.

Mr. Michael Coteau: Chair, I think we have probably two minutes left. Is that right? Okay.

Thank you so much.

I'll ask the question to the assistant deputy minister, if that's okay.

Ms. Rachel Wernick: There are two assistant deputy ministers here, me and Karen.

Mr. Michael Coteau: You've been answering a lot of the questions. I'll just throw this one out to anyone who wants to take it.

In my community, in Don Valley East, we have a lot of unemployed young people. It's hard to find work. Has the government done anything to align the procurement process, specifically on government spending, to filling in some of those labour shortages, aligning it with education and people who are looking for types of work and how we spend government money for massive procurement processes?

I think it's community benefit programs. That's my question.

Ms. Rachel Wernick: I'm answering the question as the senior person here.

We were invited to speak to labour shortages. I would have to look into getting you information about procurement from our federal partners in other departments.

Mr. Michael Coteau: Okay. I'm asking about tapping into young people in communities, especially some rural communities, indigenous communities and racialized communities, where we have this huge potential of young people who can work but the skill alignment is sometimes off.

Have you heard of any type of procurement aligned with accelerating specific skill development?

Ms. Rachel Wernick: At ESDC, we work closely with—

The Chair: Madam Wernick, we're over time.

If you could provide a written answer to the committee for Mr. Coteau's question, that would be good.

Ms. Rachel Wernick: Sure.

Mr. Michael Coteau: Thank you so much.

The Chair: I'm sorry. We need to keep on schedule.

I'm going to finish this round with Madame Chabot and Madam Zarrillo, for two and a half minutes each.

Madame Chabot.

[*Translation*]

Ms. Louise Chabot: Thank you, Mr. Chair.

My question will be on the pilot projects for long-term care and home support.

I must admit that I really don't understand why the federal government is putting money into pilot projects for training care workers when training and education fall entirely under provincial jurisdiction. The federal government has nothing to do with training programs.

In every province, there is a training curriculum for certain professions. One example is personal care attendants. Furthermore, there are professional associations. These fall entirely under provincial jurisdiction.

So why would there be pilot projects to micromanage the training of care assistants? Who is asking for this?

You won't be able to answer me, but wouldn't it be better to invest through Canadian health transfers to properly equip the provinces to deal with these issues?

• (1625)

[*English*]

Ms. Rachel Wernick: This is a pilot project with voluntary participation. Several provinces are collaborating with us, as well as colleges across the country. What we discovered during the pandemic is the fact that it is incredibly diverse, not consistent, not standard in terms of the training, the competencies. Mobility is very difficult. It wasn't easy for workers to move between areas of the country to work. It is also a factor in professionalizing the job, because it's difficult to know what the standards are or what the pay will be. It's inconsistent across the country.

There was an interest in collaborating on this pilot and this innovative program. It's not mandatory. It's not prescriptive, but it will find some interesting results to be shared.

The Chair: Thank you, Madame Chabot, and thank you, Madam Wernick.

[*Translation*]

Ms. Louise Chabot: Why should it be standardized?

[*English*]

The Chair: Thank you. Time has run out.

We'll go to Madam Zarrillo for two and a half minutes to close out this first hour.

Ms. Bonita Zarrillo: Thank you.

Again, it's going to be a gendered question around the care economy. It's going to be about pay equity.

I was looking at the Statistics Canada release from January 25. It stated that one-fifth of the employed labour force was working in care occupations, and that women made up the majority of that paid care in Canada. Unfortunately, immigrant women and those from invisible minority groups were less likely to hold well-paid care positions in relation to their male counterparts.

What tools does the federal government have to correct the pay equity gap, keeping in mind what I heard today around the child care pieces and that we're going to have to have a lot more child care workers? How can the federal government help with that pay inequity?

Ms. Rachel Wernick: I would begin by building on the last question and saying that the remuneration of health care workers is within provincial and territorial jurisdictions.

Ms. Bonita Zarrillo: Could you make some comments about upskilling and microskilling? I'm so happy to hear about that. I have heard about that in the community, as well. There's a small group of post-secondary educators that are coming together across Canada.

Is there data available? I really appreciated the comments today about not having to engage in full-time schooling, which can be difficult for women and people who care for a family or children. Is there any data about which industries are popular in this microskilling and upskilling, and if there is any segregated data around gender race, and even age on upskilling and microskilling?

Ms. Rachel Wernick: You are correct that one of the drivers for that long-term and home care pilot was how to improve recruitment to meet the needs of what is largely a pool of racialized women who work in this sector. That's why some of these innovative training models are what is helpful in terms of supporting those women.

Currently, that is the only pilot we have in the health care sector that's specifically looking at upskilling and re-skilling. It's in the long-term, home care, personal support worker space.

The Chair: Thank you, Madam Wernick.

This concludes the first panel. I would like to thank the witnesses for appearing and for providing the detailed information.

We will suspend for a few minutes while we transition to the second round.

Thank you to the department personnel for being available and answering our questions. I anticipate that you would follow up with written submissions to the committee on those questions that were technical and required statistical information.

• (1625) _____ (Pause) _____

• (1635)

The Chair: I call the meeting back to order.

Committee members, we are ready to begin the second round of panellists with this study.

We are welcoming from the Business Development Bank, Monsieur Pierre Cl  roux and Ms. Shannon Glenn; from the Canadian Chamber of Commerce, Ms. Leah Nord; and from the Canadian Labour Congress, Ms. Siobh  n Vipond and Mr. Chris Roberts.

I welcome each of these organizations. You have five minutes to give opening statements to the committee, and I would ask that you stay within the five minutes to give the committee members ample time to question.

We'll begin with the opening statement from the Business Development Bank for five minutes. It goes to whoever wants to do it.

Mr. Pierre Cl  roux (Vice-President and Chief Economist, Research, Business Development Bank of Canada): Thank you, Mr. Chairman. I'm going to make this statement.

Thank you for the opportunity to be here today.

[*Translation*]

There is no need to go into detail about the Business Development Bank of Canada, or BDC, which has 75 years of experience and has gained increased visibility since the start of the pandemic. However, I would like to remind you that the BDC is the only bank that is dedicated solely to entrepreneurs.

We are a Crown corporation which reports to Parliament through the Minister of International Trade, Export Promotion, Small Business and Economic Development. We operate as a lender and investor at arm's length from government. In this sense, we are a complement to private sector lenders rather than a competitor. This means we take more risk than other financial institutions and step in when the economy falters.

For instance, during the pandemic, we provided \$2.8 billion in direct financial support as well as more than \$4 billion in indirect support, working with financial institutions across the country. We also provide venture capital and advisory services.

[*English*]

It is in that latter context that I'm here. My economics research team supports, not only internal planning within BDC but also our clients, through regular publication of free reports and analysis to help them understand the economic context in which SMEs operate. These reports are framed as high-level observations about economic and market trends, coupled with practical advice for the entrepreneurs.

This labour shortage study builds on a similar study we did in 2018. These are some of the key observations, starting with demographic trends, that are well known but interesting to repeat.

The proportion of people aged 65 or more has increased from 13% in 2000 to 19% in 2021. Baby boomers are leaving the workplace, while the working-age population is growing at a slower pace. From 2000 to 2012, the labour force increased by 12%, but it's only expected to grow by 3.8% in the current decade and that number could even be lower. In other words, labour shortages are here to stay, especially in light of the expected demand for workers.

Layered on top of these long-term trends, the pandemic amplified the issue. Without COVID, there would be more than 440,000 more people in Canada. Immigration has declined by half because of COVID restrictions. The situation should resume in 2022. Further, 20% of workers who lost their jobs during the pandemic have changed fields of employment. As a result, the number of job vacancies has more than doubled since 2015, with the gap felt particularly in accommodation and food services as well as in manufacturing. These shortages have an impact on entrepreneurs, but there are actions they can take.

There are implications for limited growth, pressures on existing employees, compensation expectations and the ability to meet orders. The impacts are across the country, with businesses having difficulty hiring ranging from 29% in the Prairies to 67% in Ontario. Entrepreneurs have already adopted approaches to mitigate these pressures including 37% of entrepreneurs having adopted flexible work arrangements, 35% of them providing more internal training and 26% of them recruiting younger workers.

In addition to these tactics, our advice is that the following four proven strategies can help the most, given the recognition that labour shortages are a problem that's here to stay: first, use a formal hiring process; offer a competitive total compensation package; expand your hiring pool; and finally—and perhaps the most important advice that we give to businesses since the labour shortage will be here with us for quite a long time—invest in technology and automation. Our study is showing that technology adoption is the best strategy against the labour shortage.

Canadian businesses using automation are performing better and growing faster. Technology is now available for all sectors including services and retail. In that context, I want to highlight that BDC is pleased to contribute our efforts to the Canada digital adoption program, which was launched today by the Prime Minister and Minister Ng.

As part of stream two of CDAP, budget 2021 announced \$2.6 billion for the Business Development Bank of Canada to help SMEs finance the implementation of their technology adoption plan. BDC will offer a 0% interest loan to improve productivity, better serve consumers and become more competitive.

• (1640)

Thank you for your attention. I hope this will lay a frame for a good discussion.

The Chair: Thank you, Monsieur Cl  roux.

Next is the Canadian Chamber of Commerce, with Ms. Nord for five minutes or less.

Ms. Leah Nord (Senior Director, Workforce Strategies and Inclusive Growth, Canadian Chamber of Commerce): Good afternoon, Mr. Chair, vice-chairs, committee members and fellow panellists.

Thank you for the opportunity to be here and make an appearance this afternoon. I am speaking to you from Ottawa, the traditional, unceded territory of the Algonquin Anishinabe people. I go by the pronouns “she”, “her” and “elle”. Today, I'm wearing a white blouse, a blue blazer and a green scarf, and I'm working from my home office.

I am speaking on behalf of the Canadian Chamber of Commerce, which is Canada's voice of business. We represent 200,000 businesses across the country, across sectors and across sizes, including a network of 450 local chambers and boards of trade from coast to coast.

I am the Canadian Chamber policy lead on workforce strategies and inclusive growth. This includes our work with the council for women's advocacy and our BIPOC leadership and inclusion council.

We are all aware of the labour shortages in this country. There is currently an unprecedented one million job vacancies in Canada. Vacancies in health care, construction, manufacturing, accommodation and food services, along with retail trade, are currently leading the way, yet we have shortages across sectors, communities and regions, and affecting every size of business. I am able to say, thanks to reports like those from Monsieur Cl  roux, that businesses, including small businesses, are citing labour shortages as one of their most—if not the most—significant barriers to economic growth.

I can also tell you, for example, that between now and 2030, construction employment is expected to rise by 65,000 workers. I can tell you that in the residential construction sector, between now and 2030, approximately 620,000 workers are needed and, calculating retirements versus new entrants, there is an expected gap or need of 40,000 workers. I can tell you the age distribution of the construction workforce. I can tell you how many women, indigenous peoples and new Canadians work in the trade. I can even break these numbers down by jurisdiction.

What I can't do, for example, is the same for the child care and early learning professions. How many are currently employed in Canada? Where are they employed? How many are needed in the coming years, especially in light of new federal investments? I can't turn to a sector association, a professional association or an employment table, and I can't even look to StatsCan data. Therefore, our first and overarching recommendation is for labour market information, analysis and demand-side workforce planning for key professions and sectors in the care economy. The federal government can and should play a leadership role in facilitating, convening and funding these efforts.

I referred earlier to the Canadian Chamber's council for women's advocacy. It was established in January 2020 as part of our inclusive growth campaign and currently consists of a 15-member executive table. We were initially headed down one pathway of focus before the pandemic, but as with so much else, all changed with the pandemic. Our focus has shifted, and we've pivoted as well.

Through the 24 months of the pandemic, we have tracked the disproportional effect that the pandemic has had on women in the workforce. This is as employers, business owners and female entrepreneurs, as well as employees. We have also differentiated between women in the care and exposed economies versus those in the remote or work-from-home economy. Although there are challenges, and significant ones, for women in each, we have acknowledged that women in the care and exposed economies have been particularly burdened and that they are among the most marginalized.

Further, we have underscored that child care and early learning are an economic issue, not a women's issue. It is one of the three pillars of recommendations that we have made to the federal government. One of our recommendations within this is, "Ensure there is an ample and diverse workforce of childcare providers across the country by enabling remote learning for potential child care provider certification in rural areas, providing more money to increase access to early childhood education programs and facilitating labour mobility and certification recognition across domestic and international borders."

We have likened child care and early learning to social infrastructure and, just like traditional infrastructure, like a bridge or a road, it will not materialize without a labour force to build and maintain it. We need an ample, diverse, qualified and motivated workforce throughout the care economy and a dynamic ecosystem that supports it in order to ensure an inclusive recovery and the economic growth that's necessary for this country.

• (1645)

I have a lot more to say on the care economy, temporary foreign workers, FQR, and procurement and diversity policies, but I will leave it there.

I look forward to your questions. Thank you.

The Chair: You may be able to get to those, Madam Nord, in some of your answers.

We'll now go to the Canadian Labour Congress.

Ms. Siobhan Vipond (Executive Vice-President, Canadian Labour Congress): Good afternoon, Chair and committee members. Thank you for the opportunity to speak with you on this important subject.

The Canadian Labour Congress advocates on national issues on behalf of three million working people. Many of the workers we speak on behalf of work in Canada's child care, education, health care, social services, community care and seniors care sectors.

This HUMA committee study focuses on labour shortages, working conditions and the care economy. In our view, the staffing challenges in the care economy result from the following causes: heavy demand of unpaid work among the workforce dominated by women; staffing shortages fuelled by years and even decades of fiscal austerity and spending cuts, leading to high workloads and poor retention; low wages and poor working conditions; rising harassment and violence; and a lack of workforce planning.

While the pandemic had us celebrating care workers as heroes, all of these challenges were not only exposed but compounded, bringing care workers and care sectors to a breaking point. We need a new strategy of systematically investing in care workers to supply current and future labour needs. One important step in the direction of this new strategy is the progress towards a national system of affordable, accessible child care in Canada. This is a crucial investment in women's full and equal labour market participation. We want this to result in well-paid and high-quality early learning and child care jobs.

To continue to combat inequalities in the gender division of paid and unpaid care, and to ensure decent jobs and high-quality care for children, adults and seniors, it's essential to invest in high-quality public services and workforce planning now. That's why we are urging the government to establish a care economy commission to develop and implement a broader care strategy for Canada. At its heart must be a workforce planning strategy for Canada's future care economy workforce.

Now I'd like to offer some critical perspectives on the way labour shortages are portrayed in the media. In economics 101, if demand for workers exceeds supply, salaries will be bid up until the market clears. Most labour shortages should disappear as employers raise wages and attract more workers. However, wage growth has actually been modest.

Year-over-year average hourly rate growth has been about 2.6% over the last three months. This is in line with prepandemic wage growth and well behind inflation. Wage offers for new hires in some job categories has risen faster, but in many industries and occupations where employers are complaining about labour shortages, wage increases have been slower than average. This ought to be one clue that there's more to the story.

Another clue is that employers have been complaining about labour shortages all the way through this pandemic. In May 2020, the official jobless rate in Canada was 13.7%. One-third of the labour force was jobless and wanting work or was underemployed and wanting more hours of work. Despite this, employers began to complain about labour shortages.

In reality when we hear the complaint about labour shortages, what we are hearing is that it's difficult to find workers with exactly the right skills, attitude and work experience needed at the price that an employer is willing to pay.

Now to be sure, there are long-standing and genuine skill shortages in specialized skilled trades. Outside the building trades, however, employers often expect workers to show up ready to work on the employers' terms, having already accumulated the precise skills and work experience required. The notion that employers are responsible for recruiting and retaining employees, and then training and developing them to meet the changing skills needs seems to have been abandoned.

To be sure, there are many employers that invest in training and workforce development to cope with current and anticipated labour needs, but most employers in Canada invest very little in training and workforce development. When employers do provide training, they tend to provide it to workers who already have high levels of education attainment. Workers who need the training the most are the least likely to receive it.

From a lack of workplace pensions and benefits, to a lack of learning and training opportunities, to an absence of paid sick leave and adequate health and safety protections, far too many workers in this country are treated as disposable. This approach is a recipe for ongoing complaints about unfilled job vacancies and an inability to find workers. It's why unions talk about a good job shortage instead of a labour shortage.

I'll stop here, but I would be happy to elaborate on any of this in response to the members' questions.

Thank you.

• (1650)

The Chair: Thank you, Ms. Vipond, for those very informative comments.

We'll now go to questioning by the committee members, beginning with Madam Kusie for six minutes.

Mrs. Stephanie Kusie: Thank you very much, Mr. Chair.

Thank you very much to all the witnesses for being here today. My first question is for Ms. Nord.

Ms. Nord, what more do you think the government could be doing to help with the labour shortage?

Ms. Leah Nord: Good afternoon, and thank you for the question, MP.

We at the Canadian Chamber talk a lot about demand-side labour market information. It's not very, for lack of a better word, sexy or attractive, but this is the missing piece to a lot of the workforce puzzle. I only caught some of the previous comments as well, but, for example, for the labour force numbers, a lot of detail and work go into those—kudos where kudos is due—but that's only on the supply side of the story. That's not the demand side, unfortunately. A lot of the data that comes in is already dated and looks back instead of forward. Help on that workforce planning, particularly for the demand side, would be appreciated.

We talk about—and we can split some hairs here—jobs without people and people without jobs, so there needs to be help facilitating that. That's what we call matchmaking, and in the first instance what is required is analysis. Do people have the skills and it's just that they're not getting to the right jobs? Is it a question of labour mobility issues here in the country, with, where jobs are located and so on and so forth, or is it the need for upskilling and re-skilling?

What I will say is that we have heard about a lot of pilot projects going on across the country in different areas, and those are great as a start, but I think the issue of scaling and helping and replicating is one that we're really going to have to examine going forward.

Thank you.

Mrs. Stephanie Kusie: Thank you, Ms. Nord.

Building on that, another interesting area we believe will help mitigate the labour shortage is automation. What could the government be doing to help incentivize automation, do you think?

Ms. Leah Nord: There was an excellent example of an announcement today. With respect to automation, before the pandemic, there was an interesting article that came out, around the end of 2019, that talked about how robots were going to automate 50% of the jobs in Canada. I think there are a lot of questions and almost scare tactics around this.

A lot of what even BDC's report refers to here is the automation for good. They're never going to be able to replace all of the humans all of the time, but they will have the ability to take those more mundane tasks that we won't have to do and bring forward the workforce, as well, not only in those niche areas but across the board. Funding that—and there are the high-tech niche areas but also the whole digitization of the country and, I would say, society as well—would be very much appreciated.

Thank you.

• (1655)

Mrs. Stephanie Kusie: Thank you, Ms. Nord.

I will pose a similar question to Monsieur Cl  roux or Madam Glenn.

In the BDC study “How to Adapt to the Labour Shortage Situation”, you indicated that automation is particularly expensive for small and medium-sized enterprises and that only one in four Canadian SMEs has fully automated at least one business function.

In your opinion, what incentives do they need to make automation a part of their business strategy?

Mr. Pierre Cl  roux: I think there are two things. First of all, they need to understand how automation can help them. Often when we do conferences with our clients, we give them examples of businesses that have done it and the return on the investment. Our study is very clear. Businesses that invest in automation perform better and have a higher growth of profit and revenue. That's the first thing—to convince entrepreneurs that there's a big payoff for doing it.

Second, I think the program that was announced today is going to help finance that, because there are two forms of help. The first one is a plan for how you can invest in automation. This plan is up to \$25,000 and it's free. The second part is a loan from BDC with a 0% interest rate. I think that will help a lot of companies in Canada to be able to invest in technology and automation.

Mrs. Stephanie Kusie: Monsieur Cl  roux, you mentioned that businesses perform better from a revenue perspective, but it's also indicated in your report that “Entrepreneurs who invest in new technologies and automation find it twice as easy to hire [new] workers”. Why do you think that is?

Mr. Pierre Cl  roux: First of all, it's because they are growing. Also, it's because they market themselves as.... It's especially the new generation. They are looking for businesses that are up to date in terms of technology.

I remember a conference I was giving. There was a question to one of our clients. She had just explained that they changed their accounting system to make it all computerized. The question to this owner was this: “How did your employees react?” She said, “Well, they were the first to ask for it.”

When you invest in technology and you are really up to date, your employees, first of all, don't do some of the routine tasks they used to do, so they like it. It's especially the new generation. They want to work with the best and newest technologies. That's the reason it's easier for businesses that use a lot of technology to attract workers.

The Chair: Thank you.

Now we will go to Mr. Long for six minutes.

Mr. Long.

Mr. Wayne Long (Saint John—Rothesay, Lib.): Thank you, Mr. Chair.

Good afternoon to my colleagues.

Good afternoon to our witnesses. Thank you so much for your testimony this afternoon. It's very interesting.

I, too, want to thank MP Zarrillo for bringing this motion forward.

My questions will be for the Canadian Labour Congress.

Before I start, I want to thank you for what you do for workers, as you said, Ms. Vipond, 3.3 million workers across this country. I want to thank you for your leadership and for your advocacy. I know that your past-president Hassan Yussuff has been in my riding of Saint John—Rothesay many times. We've laid wreaths together on the National Day of Mourning. I always enjoyed my time when he was here.

Our government has been an ally and friend of unions since coming to office. I remember that in 2015 one of the things I was absolutely passionate about going to Ottawa for was to fight for the repealing of Bill C-377 and Bill C-525, with our Bill C-4. I remember working with the CLC to make that a reality.

We've engaged regularly with unions and stakeholders across the country in numerous areas of our economy, from the energy workers to the building trades, and from the care economy to the tourism and hospitality sectors, all of which are critically important in my riding. We've been there to address the challenges facing these industries with government support and improvements to existing rules and legislation, such as the Canada Labour Code and occupational health and safety for federally regulated sectors.

Despite health care being a provincial jurisdiction legislated and regulated by their respective provinces, I do believe the federal government can still play a role in the hiring, the retention and the retraining of staff while improving work conditions for all.

Recognizing that health care is provincially delivered, what further opportunities do you see between unions, professional orders and employees in the care economy and the federal government to deliver quality services?

• (1700)

Ms. Siobhan Vipond: Thank you for the question.

Yes, I appreciate the work we've been able to accomplish together.

This last time with COVID, with this pandemic, has highlighted the gaps within our systems, and health care is no different. When we look at that patchwork, we want to see a coming together and looking at a commission of care work, which includes health care, so that it's safer. There's a study from the CFNU around how people haven't felt safe at work over the last while, especially, and it's, quite honestly, an appalling number.

When we look at that, we see it has to be a bigger strategy. Yes, provinces have control over this, but the reality is that this leadership can come from that framework. That could happen across the country. We absolutely support that idea. Let's look at including more than just what our current health care structure.... I think we've seen in long-term care that this needs to be there. There needs to be a priority put on the care that is given versus a cost-savings approach. This is about the people needing the care and the people doing the care being treated appropriately and having good jobs.

Mr. Wayne Long: Thanks for that.

Additionally, what is the role of the provinces and territories acting in their respective jurisdictions to improve the quality of care services in Canada?

Ms. Siobhan Vipond: I'm sorry. Can you just repeat the beginning part?

Mr. Wayne Long: What is the role the provinces in their jurisdictions can play to improve the quality of care services in Canada?

Ms. Siobhan Vipond: When we talk about it in health care and child care I think those kinds of frameworks are starting to exist across the country. Obviously health care has been long-standing. Child care is in the process of being written and what that looks like. The provinces play a role in that while working with the federal government. We want to see a care commission and why we keep going back to that is so that we can include all of the care work in this commission and have that shared vision so that we can set standards of what this looks like so that it isn't just privately delivered to poor standards.

There has to be a high standard of care and I think that is going to be these partnerships that exist. We think that is the best scenario to put it forward, and we have some great examples of where that can succeed in health care and currently in the child care framework that is being developed.

Mr. Wayne Long: Thank you, and thanks for that answer.

As we know, the federal government provides funding to provinces and territories to help people prepare for and return to work under two labour market transfer agreements: the workforce development agreements and the labour market development agreements. In your opinion, how have the WDA and the LMDA impacted the participation of vulnerable groups in the labour market, and to what extent would funding provided under these initiatives assist the health care sector and other sectors in the care economy?

Ms. Siobhan Vipond: I think how they do it is that we need to call it.... One of my fellow panellists called it this, that sometimes if we only look backwards we're not planning forward. We need to look at what we need moving forward, whether it's training or whether it's location of workers, and what the incentives are in terms of getting workers matched with jobs. Those programs can be used not just as an investment but also as a planning so that we're not always in crisis mode. We can't always come to these meetings and say, "What are we going to do right now?" We know we need to train people. We know we need to look at matching people with jobs.

Let's have a plan forward and then this means that, whether it's in post-secondary, whether we're talking about immigration, whether we're talking about incentives for people to move to jobs, we can do a better job of pairing. Those programs give us an ability to distribute money and education, but this has to be a forward-thinking thing. When it comes to the care economy, which we have to remember is 20% of workers in this country, we have to look at a commission so that we can have a good plan moving forward.

• (1705)

The Chair: Thank you.

Mr. Wayne Long: Thank you very much, Ms. Vipond.

The Chair: Thank you, Mr. Long.

Now we go to Madame Chabot for six minutes.

[*Translation*]

Ms. Louise Chabot: Thank you, Mr. Chair. I also thank all of our witnesses.

My first question is for Ms. Nord from the Canadian Chamber of Commerce. This will give her an opportunity to expand on her presentation.

Ms. Nord, I know that you also testified before the Standing Committee on Finance during the pre-budget consultations and that you made a recommendation on the chronic labour shortage, which was to modernize the Temporary Foreign Worker Program. Again today, in your presentation, you said that this was part of the solution.

Could you elaborate a bit more on what you meant by modernizing this program?

[*English*]

Ms. Leah Nord: I'm happy to speak to the temporary foreign worker program and the need to modernize. We have any number of recommendations. First and foremost, I would go back to some of those previous discussions in the previous panel session here around need for LMIA's and the like.

The Canadian Chamber of Commerce has long advocated for a trusted employers program. There is a nexus model, and there is also a larger accreditation model. For those of you who have been on this committee for a while, you would have seen me speak to this any number of times. Something like a trusted employers program is going to help and assist with those sorts of issues, and I can say a lot more about that model.

We have any number of recommendations around an appeals process and bringing it online, allowing for the ability to pool together temporary foreign workers who are here in Canada who are now unemployed and who other employers can pull from. We are also very and highly supportive of pathways to permanent residency for temporary foreign workers and have supported many of the government's announcements.

What I will say is that there are absolutely issues with the temporary foreign worker program. I would say that, even with its name, there's a stigma that dates back, in some cases for good reason, but what I would hate to see in any temporary foreign worker program.... I appreciate that it's temporary in nature, but one of the benefits is that the program is a job offer and labour market integration from day one. That sets people up for longer-term success.

As much as we have issues and recommendations for modernizing the program, we would also like to see it stay.

[Translation]

Ms. Louise Chabot: I am sorry to interrupt you, but I would like time to ask you another question.

[English]

Ms. Leah Nord: Certainly. I'm sorry.

[Translation]

Ms. Louise Chabot: With respect to labour shortages in certain sectors, I think hiring temporary foreign workers is a big part of the solution, even if it is not a long-term solution. There are major problems with labour market impact assessments and work permits. That is why I wanted to know your opinion. We can come back to it.

It was mentioned earlier that part of the solution was for manufacturers or small businesses to upgrade their equipment. During the pandemic, we saw the importance of going digital for small businesses, in particular, and of buying local.

Given the labour shortage, shouldn't there be a focus on programs to support SMEs in the digital shift?

My question is for representatives of the Business Development Bank of Canada or the Canadian Chamber of Commerce.

• (1710)

[English]

Ms. Shannon Glenn (Assistant Vice-President, Government Relations, Business Development Bank of Canada): What I can do is speak to the program that was just announced. This is the Canada digital adoption program. What I would emphasize is that this program falls in the remit of the Department of Innovation, Science and Economic Development, and they would be the primary spokespeople. That being said, BDC is contributing our efforts to this program. What I can describe is a high-level overview of the program.

In budget 2021, the government announced \$4 billion for the digital adoption program to provide funding and support to businesses as well as training and work opportunities for young Canadians.

There are two streams to the program. The first one is with a focus on e-commerce and providing microgrants to help particularly retail companies, for instance, to grow their reach. Then the second stream, the stream where BDC is participating, is focused on boosting your business technology. That stream allows companies to apply for a grant to help them develop a digital adoption plan and then leverage potentially funded work for youth placements. In the context of that second stream, BDC is providing 0% interest loans as part of that stream to help SMEs adopt more complex technologies.

I'll give some specifics around the loans. They are up to \$100,000 to implement a digital adoption plan. The application process is 100% online. It's a five-year term with no payment in the first year. No personal assets are taken as collateral and there are no fees. We're very happy to be able to contribute to that. I hope that answers your question.

[Translation]

The Chair: Thank you, Ms. Chabot.

[English]

We'll go to Ms. Zarrillo, for six minutes.

Ms. Bonita Zarrillo: Thank you, Mr. Chair.

I'm going to be asking Ms. Vipond about the rising violence and the enforcement of some of the laws around that, and then to visit the care economy commission. However, I'm going to, first, ask Ms. Nord a question.

I appreciate your really inclusive language today. Thank you for that.

Thinking about looking forward and about disaggregated data and how it's collected at the Chamber of Commerce, could you let me know what kind of data is collected? Is disaggregated data collected around gender and race, and what is the fastest growing business type right now?

Those are my questions around looking forward.

Ms. Leah Nord: At this time we do not collect data from our members, but in the past two weeks, we have entered into an agreement with the Government of Canada and Stats Canada for a business data lab. We'll have the ability, going forward, to look at a lot of this work, particularly from the demand side of the table. It will be forward looking. We're actually in focus groups between now and the end of the year to make sure we are as inclusive as possible, and we are looking at these numbers.

One example I'll give is around labour force numbers. From the data, it looks like women have bounced back and returned to the workforce in full force, but we know, for example, there are issues around productivity and mental health. There are numbers that help us look below those first-level numbers, so that we can dig a little deeper into the stories as well.

Ms. Bonita Zarrillo: I'm going to Ms. Vipond to talk about the unequal division of care and the overburdened, undervalued and underpaid disproportionate work of women and women of colour.

You spoke about the rising violence. Federally, there are some regulations around the protection of care workers, or at least nurses. Could you talk a bit about what that violence looks like and if enforcement has been happening? Have your members talked about how enforcement is working?

Ms. Siobhan Vipond: Thank you for bringing up a really important part of when we talk about the care economy and we talk about the importance of long-term investments. When we look at the care economy, we're talking about women workers. You're right. The legislation that came in, in the fall, which was going to assist with this kind of violence, is a welcome addition. This will mean there is a possible criminal path, when people are being harassed.

The study I referred to, in terms of the CFNU, showed that in the last 12 months, 61% of nurses reported experiencing a serious problem at work. It looked at many items, whether it was a manager, a patient or the public. The reality is that it not only makes these jobs unwelcoming, if we're looking at it as a labour force, but also means we have to put in more protections.

We support the steps taken in the fall. There is a lack of access sometimes to these kinds of rights if you are not unionized. When we look at nurses, there's high unionization and that is very important. We will also have more specific numbers for you, because we have partnered and we have a study coming out at the end of this month, which is a survey around harassment. The initial numbers, unfortunately, are reiterating the story we have heard, which is that so many people don't feel safe at work.

It's about legislation like that. It's also about supporting things like C190, the ILO convention, when we look at how harassment and violence should not be allowed at work.

• (1715)

Ms. Bonita Zarrillo: I'm just going to go back to the care economy commission. I wonder if you wouldn't mind putting a bit of visibility on maybe the top one or two things you're discussing and your members are discussing about what that should look like.

Ms. Siobhan Vipond: I apologize. Could you just repeat the first part of that?

Ms. Bonita Zarrillo: Regarding the care economy commission you spoke of, I'm just wondering if you could share one or two things the members are speaking about that need to be an integral part of a commission like that.

Ms. Siobhan Vipond: This care commission, what it looks like and what it does, is really important. The reality is that there's a really great road map for the commission that has been well-established by the International Labour Organization. It did a groundbreaking report called "Care Work and Care Jobs". The report prioritized the five Rs, which is the framework around what decent care work should look like. It is to recognize, reduce and redistribute unpaid care work; reward paid care work by promoting more and decent work for care workers; and guarantee care workers representation, social dialogue and collective bargaining.

We think the care economy commission could apply this framework in Canada, which is all-encompassing and looking forward, so that we're putting ourselves in a better place to be able to build a care economy that is going to work for everybody.

Ms. Bonita Zarrillo: Thank you.

The Chair: You have 10 seconds.

Ms. Bonita Zarrillo: We'll leave it, then. Thank you.

The Chair: Mr. Liepert, you have five minutes.

Mr. Ron Liepert (Calgary Signal Hill, CPC): Thank you, Chair. I don't have a specific question but a couple of observations. Then maybe I'll ask for some comment relative to those.

It seems to me that, in looking at some of the programs that are announced, they tend to work at cross-purposes relative to some of the issues that are being encountered. I'll use an example that I believe was in the previous presentations, but it might have been at the beginning of this. I can't remember if it was a percentage, but a high percentage of our labour force vacancies are in areas that require less than a grade 12 education. We turn around and focus much of our programming at educating people, and then we talk about digitization or technology.

I assume that, when talking about job vacancies that are unfilled and require less than a grade 12 education, you're probably talking about workers in the service industries. You're talking about long-term care. You're talking about child care. Digitization and technology improvements will do very little for these vacancies, yet we trumpet out a \$10 day care program, which is fine, but what does it do? It creates a greater demand for spaces in day cares, and that's where we have the vacancies.

It just seems there are a lot of cross-purposes in what we're actually doing. They're probably being implemented and announced for the right reasons, but to me, they look like they're working at some cross-purposes. I'd just like to get a comment on whether I'm reading that correctly, or whether that is in fact the case.

• (1720)

The Chair: Whichever panellist wants to comment, or all three, you have the floor.

Mr. Pierre Cl  roux: Maybe I can try to answer.

The labour shortage is really in every sector of the economy, and every type of professional work or type of worker. As an example, in Canada, one of the biggest issues in terms of the shortage of labour is people who work in technology. Technology is booming. There is a big demand for technology services. We don't have enough people to work in technology.

As regards the idea of investing in technology, technology doesn't replace people, but it could replace tasks. It could be a complicated task or it could be a more simple task. For example, you can buy software today to make reservations in a restaurant. It doesn't replace a person, but it does replace a task that a person can do.

The solution is really complex, because it really depends on every business model, but the issue is here to stay. That's what we are saying to our clients: You need to have a strategy, because it's not going to go away. The strategy is different for every business and every sector.

Ms. Siobhan Vipond: We know when we're looking at the care economy that there is a lower ability for automation. The care economy is really about people caring. Whether that's health care or education, from young people to adults and to the end of our lives, we need care work. Automation isn't going to solve that. That's going to be about reducing costs and not increasing the care that people need.

When we look at this mismatch of jobs and say there are vacancies and nobody is taking them, we need to do a deeper dive into that, because you're right. Some of them don't have requirements of maybe grade 12. However, many of them are in skilled work and we're not recognizing that. By not recognizing the skill that people need, it means we don't have the wages to match that and we don't have the benefits, so people aren't staying.

We know there's a high turnaround in care work, whether you talk to child care providers or within health care or long-term care homes that support people. I think that turnaround is because of the quality of the jobs and the quality or the value we put on that work. That is primarily women. We need to start realizing how important care work is to our society, because no work can happen without care work existing. Therefore, that value needs to be there.

When people are paid well, are treated well and have access to their rights in their job, they're more likely to stay. As a retention program, investing in the people who work in this industry and this sector is the best thing we can do.

The Chair: Thank you, Madam.

Thank you, Mr. Liepert. I'm not sure if the very important point you made was addressed.

We'll now go to Mr. Collins for five minutes.

Mr. Chad Collins (Hamilton East—Stoney Creek, Lib.): Thanks, Mr. Chair.

My first question or questions would be for Ms. Nord. We heard in the last presentation from departmental representatives. They made this statement: "While temporary foreign workers play a critical role in filling jobs in the agricultural, food and fish processing sectors—in fact, 80% work in agriculture—it is important to underscore that they make up only 0.4% of the labour force." That number caught me. I want to follow up on the questions that Member Ruff and Madame Chabot asked earlier in terms of the temporary foreign worker program.

My question would be around what Madame Chabot spoke to, and that was the modernization plan you referenced earlier. I have

been working with sectors—the food and beverage and the agri-food sectors in Hamilton—on the temporary foreign worker program, and we're in uncharted territory here with the pandemic in terms of labour shortages. They're asking for numbers in I think a range that we haven't seen before. I'm anxious to assist them with their requests, but of course we need to find a balance. I think you messaged that in your earlier comments with some of your answers. With your modernization plan, what sectors have you found need the most assistance?

Also, through you, Mr. Chair, how do we find that balance in terms of providing a higher level of support without disadvantaging the broader labour pool that's out there and maybe putting too many eggs in one basket?

• (1725)

Ms. Leah Nord: Thank you, MP, for that question. It is an excellent question. We can talk about temporary foreign workers specifically, but writ large, I think this comes back to the importance of labour market information.

When you talk about immigration levels in the country, about how many immigrants we should let in and in what professions, we need that information to drive this, not only from a professional point of view but also from a regional or geographical point of view as well.

We have pillars of recommendations. The first one is the continued devolution of the immigration selection process in this country, recognizing that it's a federal jurisdiction. It's a process that started with the provincial nominee programs, headed to Atlantic Canada with the Atlantic immigration program, and now includes these pilots, the rural and northern immigration pilots. For communities by communities is really the way forward.

I heard comments earlier about not only rural areas but even populous areas outside of those three or six centres that can use the help. The issue right now in this country is that we.... The labour shortage isn't discriminating. It isn't discriminating by region or geography or profession. We need all workers across the board everywhere. This is multistream. We need to look at immigration. We need to look at.... This is an opportunity. Let's start thinking like we haven't before. Let's put labour, business and government in a room and have these discussions and see what this looks like. It is going to take those who are long-term unemployed and unemployed and underutilized as well.

This a real opportunity, but what drives this is data and information, and this is the first step that we need going forward.

Mr. Chad Collins: Thank you.

Can I follow up with your reference to pilot programs? They're done for a reason. We test the waters at all levels of government to try to find out what works and what should gravitate from a pilot program to a permanent policy or a pool of funding or to support, whether it's operating or capital.

Can I ask what pilot programs have worked recently? Which of those would you see transitioning into something that's more permanent?

Ms. Leah Nord: There are a number of those. What I would argue around the continued devolution is that you can't have a pilot project in every riding in this country, so then we have to start looking at going from the pilot to incorporating it into the larger stream as well. Again, COVID did throw a wrench into the role of northern pilot programs, so the data is a little delayed there. However, it's by community for community.

The other thing I would say about those programs that differentiated them from even previous programs was the involvement of the business community from the outset in those communities. Whether it be a chamber, an EcDev or the local municipality, you had them on board at the beginning in the labour market integration.

As far as pilots go, we're very happy with the agri-food pilot program, of course, and I'd even defer to my labour colleagues as well. Just last week, I heard some fantastic stories about Maple Leaf Foods working with their union and the integration through the temporary foreign worker program. Those pathways to permanent residency don't just happen on their own and materialize. It's a social dialogue with all parties involved.

Mr. Chad Collins: Thank you for those answers.

Thanks, Mr. Chairman.

The Chair: This has concluded the hour with our second panel.

I want to thank the witnesses. I would have liked to be a committee member so that I could have participated in this part of the discussion. This is an interesting area.

Mr. Van Bynen, do you have a point of order?

Mr. Tony Van Bynen (Newmarket—Aurora, Lib.): Yes, Mr. Chair.

We had a lot of references to specific studies we received from labour, from finance and from the Chamber of Commerce. I don't know whether they've submitted those reports. If they haven't, could we request those reports and the recommendations of those reports?

There's a lot of really great information here. I'd like to have the advantage of the fulsome of the reports.

• (1730)

The Chair: Thank you, Mr. Van Bynen.

For those witnesses who referenced specific reports, if you could provide a copy to the committee clerk for the benefit of all committee members, that would be greatly appreciated. Thank you, witnesses, for appearing.

I'll ask for a moment because there's one item I would like to bring to the committee.

While they're going, I have received notice from Minister Qualtrough that she is available to appear before the committee on March 24. If you recall, the last time there was a translation problem. They now have it worked out. I need the committee's consent.

Ms. Ferrada.

[*Translation*]

Ms. Soraya Martinez Ferrada: Thank you, Mr. Chair.

Would it be possible to ask Minister Qualtrough to appear in order to discuss her mandate letter and the main estimates?

[*English*]

The Chair: Yes.

Ms. Ferrada, is that then two hours?

[*Translation*]

Ms. Soraya Martinez Ferrada: Yes, I propose a two-hour meeting. The minister would appear for the first hour and representatives for the second.

[*English*]

The Chair: The meeting will be for two hours on the mandate letter and the mains. We can extend the invitation to the minister for that as that is known to the committee. We cannot compel the minister to stay. If there is agreement that the minister will appear on March 24, we will request a two-hour meeting on the mandate letter and on the mains. We will take direction from the minister.

I see consensus from the committee.

[*Translation*]

Ms. Soraya Martinez Ferrada: Mr. Chair, my understanding is that the minister could appear for the first hour and departmental representatives for the second hour. The minister cannot stay for the full two hours. We suggest discussing the mandate letter and the main estimates at the same time. Otherwise we will again lose another committee meeting. I think we are able to have the minister for an hour and talk about both subjects at the same time.

[*English*]

If we need a motion, I could do a motion and we could vote on it.

The Chair: It's my understanding that the minister advised she would be available for the first hour, but the minister could be questioned on any one of those. The minister will be here for an hour and officials will stay if that's the wish of the committee.

Do we have consensus on extending the invitation to the minister for March 24?

Mrs. Stephanie Kusie: We can prepare for that. I'll think about it. We might put a motion forward for another hour then. In good faith, I said we would do one meeting for the mains and for the mandate letter.

Like I said, I feel like we are accommodating in that it is one. That is reasonable to me. I don't know why she can't extend her time for two hours. As we saw, an hour goes by very quickly. We can bring her for one, but if I feel one is not sufficient after that, I may call her back on the supplementaries.

The Chair: Madam Kusie, motions are always debatable—

• (1735)

Mrs. Stephanie Kusie: Of course. For now, we'll bring her for one hour.

Thank you.

The Chair: I am seeing consensus. I see no objection, so the minister will be appearing for an hour—that is confirmed—on the mandate letter and on the main estimates. We'll take it from there.

Thank you, committee members. With that, the meeting is adjourned.

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